Payroll and End of Year Processing

PAYE2000

(2015-16)

User Manual and Customer Agreement

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Signed _____ Dated _____

Capacity in which signed _____

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Table of Contents

Limited Licence 3
What is PAYE2000? 4
Getting started 6
Changing the master spreadsheet 7
Starting PAYE2016 8
Opening the Payroll 10
Day to day payroll 14
Sundry notes and details 22
Real Time Information (RTI) 26
Earlier Year Updates 32
P11D processing 33
Automatic enrolment and NEST 34

Limited Licence

The Licence hereby granted to the Customer by Quality Management Software Ltd ("the Supplier") shall take effect in respect of the Payroll / End of year Return ("PAYE2000") for the year of assessment 2015/2016.

The Supplier reserves the right to terminate the licence agreement granted forthwith on giving notice to the Customer in writing.

Disclaimer

The Supplier shall have no liability in any way arising out of the use of PAYE2000 and the Customer by using the software acknowledges this. It is imperative that the user of PAYE2000 understands that it is not a substitute for the knowledge and skill of a payroll practitioner. PAYE2000 has been designated to assist the practitioner not to replace him or her and accordingly users should always check the calculations and end of year Return before it is submitted.

Software Support

Telephone support is available to help users solve any questions they have with the functionality of PAYE2000 on the following numbers:

01483 429078	Andrew Bolton
01453 761956	Rebecca Benneyworth FCA

The Supplier undertakes to respond to messages left on voicemail within eight hours of the call being lodged between the hours of 9.00 am to 4.00 pm Monday to Friday. The Supplier will endeavour to respond quickly to any call. Any special circumstances which prevent this response time being met at any time will be reported on voicemail.

The Supplier will provide support for the installation for approximately one hour to assist the customer in using PAYE2000 for no extra charge. Any additional training time will be charged at £100 an hour by agreement in writing with the Customer.

The support will not provide technical tax or payroll advice. Enquiries about these subjects should be directed to HMRC.

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What is PAYE2000?

PAYE2000 (© Quality Management Software Ltd) is an Excel spreadsheet that is designed to assist employers and practitioners with payroll and completing end of year Returns. It allows the user to quickly and simply complete information on screen as they would on paper. It performs the calculation of tax and National Insurance following HMRC's guidelines.

PAYE2000 includes a database which allows you to keep track of employer and employee information from year to year and to store payroll data and each year's return. The database also allows you to monitor the submission of returns to the Revenue.

Please note the demonstration version includes a built-in database which allows one employer and one employee, there is no separate database file.

Before installing PAYE2000

PAYE2000 has a database and you must ensure the appropriate Excel options are installed in order to use it. The Setup program in earlier versions of Excel or Microsoft Office includes these options. From Office 2000 onwards the options are automatically included. You may need your original Office CD or disks.

Run Setup and choose the Add/Remove option. Confirm that you have installed the options which allow Excel to use a database. These are referred to as:

Office 97 "Data Access"

Please select all the sub-options by selecting the "all" option or ticking the boxes with the mouse.

If you have any doubt please contact QMS for advice.

Getting started

What do you need to run PAYE2000?

To run PAYE2000 on your PC you should have:

- A Pentium with a minimum of 32 Mb of RAM, preferably 64 Mb
- Windows
- A copy of Microsoft Excel 2000 or above
- A knowledge and understanding of payrolls and the end of year Return
- The Revenue has approved printouts from a HP LaserJet printer

Installing PAYE2000

The PAYE2000 spreadsheet should be copied into any suitable folder.

Insert the PAYE2016 Spreadsheet CD into your CD drive.

- Select the My Computer icon on your desktop;
- Select the **CD** drive;
- Select the file **PAYE2016.xls**
- Select **Edit**, **Copy**
- Find and Select the suitable folder
- Select **Edit**, **Paste**, this action should cause the **PAYE2016** spreadsheet to be copied from the installation CD to your PC.

Installing the database.

Warning: Do not install a fresh empty database if you are bringing forward information from last year.

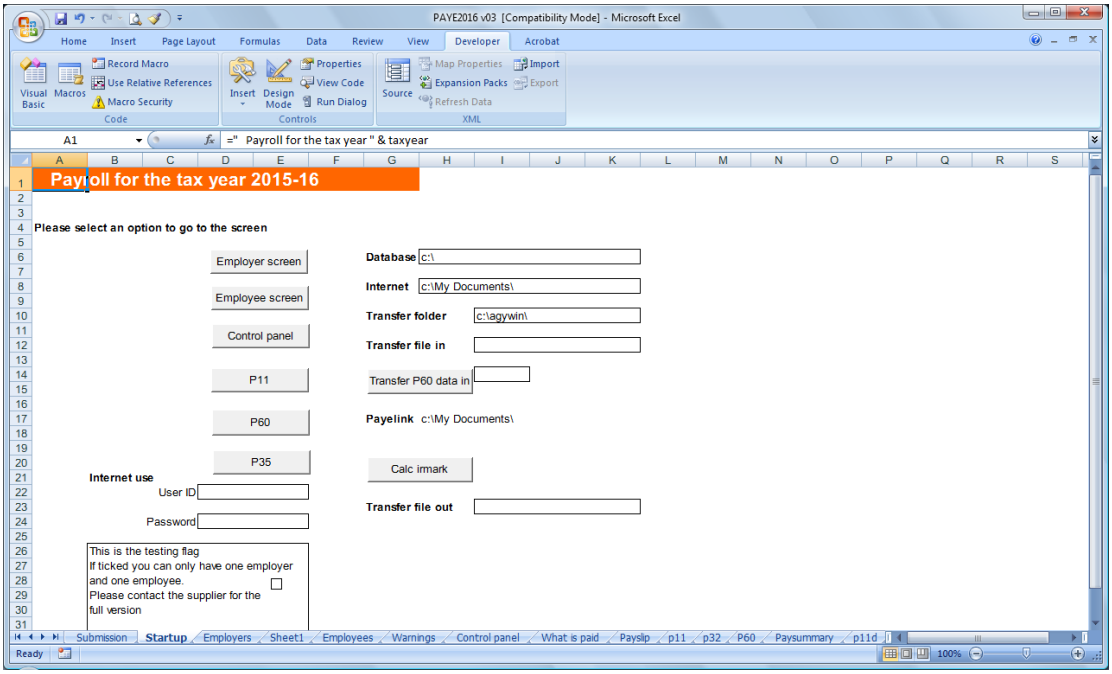
Insert the PAYE2000 disk into your a: drive.

- Copy the file PAYEDATA from the CD to the C: drive in a similar manner to that used for the PAYE2016 spreadsheet;
- You can choose the C:\ directory, if you choose another directory:
- Update your master Spreadsheet with the name of the directory (see below).

Changing the master spreadsheet

You only need to change the master spreadsheet if you are planning to use the database and have copied the database to a directory other than the C:\ directory. You should move to the right of the introductory screen and see a display similar to the following:

Figure 1



Enter the following information:

- the location of the database in cell H6
- HMRC user id and password for submitting in year movements and the end of year return by the internet (you can change them when you prepare the submissions).

Remember to save the spreadsheet with **File** and **Save**.

Starting PAYE2016

Open **Microsoft Excel**, select **File**, **Open** and choose **PAYE2016** from the spreadsheets available.

Using the database

The database contains two main sections: the employer and employee information. Move to the employer screen and see the display. The buttons allow you to retrieve, save and delete employers from the database. Similarly the employee screen has buttons which allow you to retrieve, save and delete employees from the database.

Any information which is employee related (such as P60s) is saved with the employee options. Information which is employer related (such as an RTI submission) is saved with the employer options.

Working with PAYE2000

Introduction

PAYE2016 is a computer system which helps employers and agent prepare payroll and end of year returns. PAYE2016 is not a substitute for the knowledge and skill of a payroll practitioner, it assists you with the routine tasks of data entry, transcribing figures from one schedule to another and calculating tax and national insurance.

What can it do?

PAYE2016 allows you to enter all the necessary information for an employer's payroll, it automatically calculates the tax and national insurance liability and allows you to print payslips, reports, P11, P32, and P60s. It also prepares an employer's RTI submissions for filing online.

PAYE2016 uses HMRC specifications for calculating tax and national insurance. As part of the accreditation process the calculations are checked and agreed to the nearest penny. If you enter all sources of income correctly then the tax and national insurance will be correct.

Real Time Information

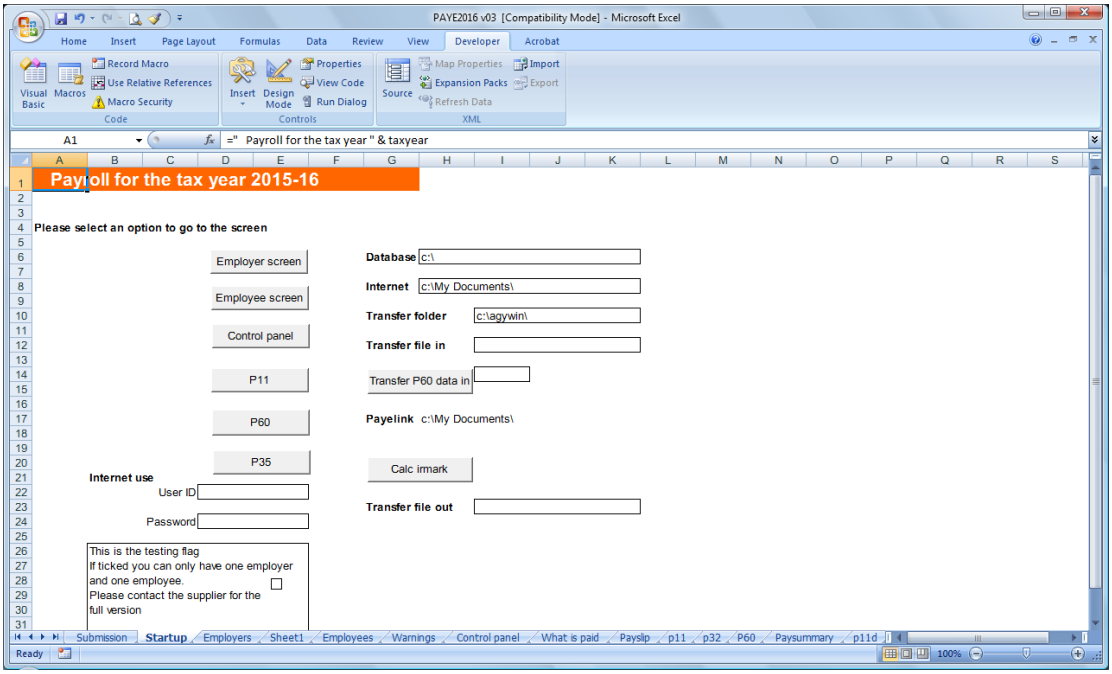
We have developed the software to prepare Real Time Information (RTI) for HMRC and gained recognition for the tax year 2015-16.

Opening the Payroll

A new Employer

After opening Excel, select File then Open and choose the PAYE2016 spreadsheet. This is the first screen you will see:

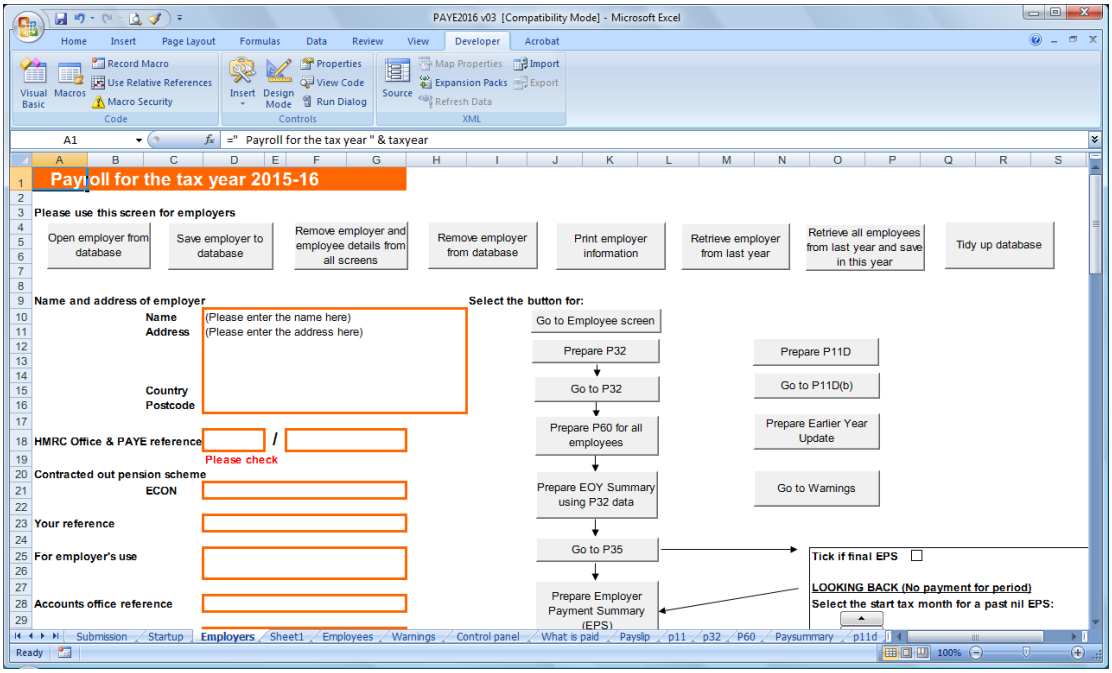
Figure 2



Screens

The buttons take you to the appropriate screens and buttons on these screens will guide you through the other options.

Select the employer button and move to the following screen:


PAYE2016 v03 [Compatibility Mode] - Microsoft Excel
Payroll for the tax year 2015-16
Please use this screen for employers
Open employer from database
Save employer to database
Remove employer and employee details from all screens
Remove employer from database
Print employer information
Retrieve employer from last year
Retrieve all employees from last year and save in this year
Tidy up database
Name and address of employer
Name
Address
(Please enter the name here)
(Please enter the address here)
Country
Postcode
HMRC Office & PAYE reference
Please check
Contracted out pension scheme
ECON
Your reference
For employer's use
Accounts office reference
Select the button for:
Go to Employee screen
Prepare P32
Go to P32
Prepare P60 for all employees
Prepare EOY Summary using P32 data
Go to P35
Prepare Employer Payment Summary (EPS)
Prepare P11D
Go to P11D(b)
Prepare Earlier Year Update
Go to Warnings
Tick if final EPS
LOOKING BACK (No payment for period)
Select the start tax month for a past nil EPS:

Please remember to select the Remove details button before setting up a new employer.

You must complete and save at a minimum the following:

- Name
- Address
- HMRC office (3 digits)
- PAYE reference
- Accounts office reference for RTI

For the payroll:

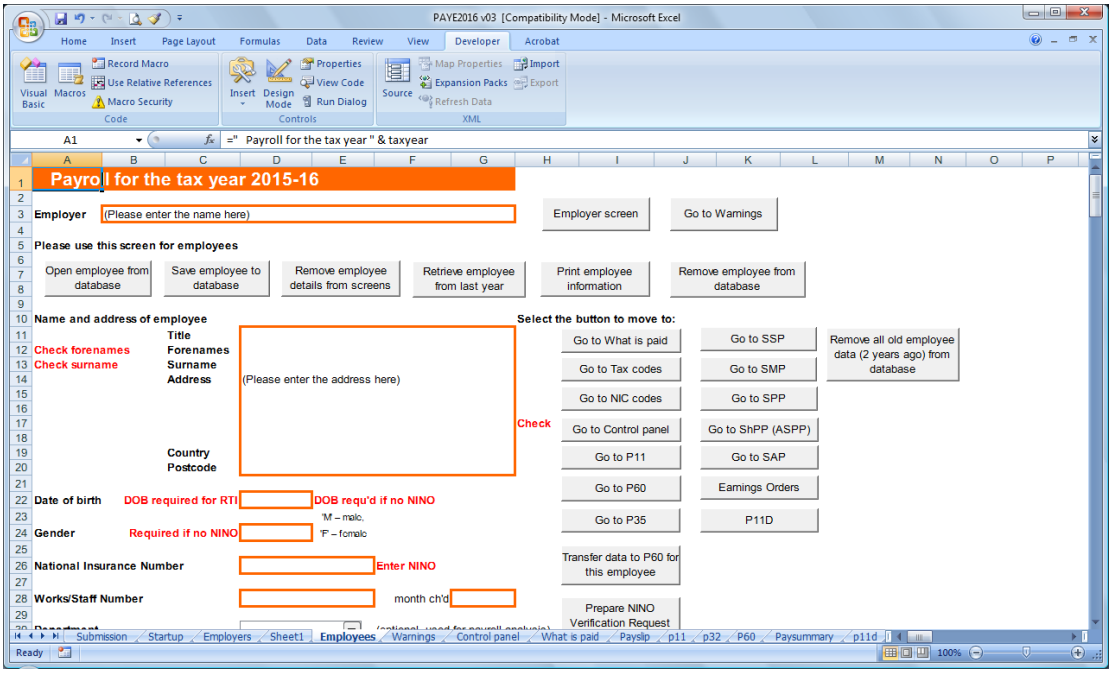
- Whether employees are paid monthly or weekly, or any other frequency
- (if weekly) the first pay day of the tax year, usually the first Friday
- (if monthly) the start day of each month (usually 1)
- Lower down: confirmation that the employer is part of RTI

Data can also be provided for the HMRC office, eligibility for small employer's relief, entitlement to the employer's allowance (£2,000) and departments within the employer.

Please select the Retrieve employer button to bring forward employer information from the previous tax year, and select the Retrieve all employees to bring forward each employee after you have brought forward the employer. This will automatically increment the latest tax code (if an "L" code) by a fixed amount, for 2015-16 this is 60.

A new employee

Select the employee button on the first screen and move to the following screen:



Please remember to select the Remove details button before setting up a new employee.

You must complete and save at a minimum the following:

- Forename
- Surname
- Address
- Date of birth
- Gender

And/or

- National Insurance number (We advise you to include the NINO, the RTI process needs it)

For the payroll:

- Starting period (usually 1) and the tax code
- Starting period (usually 1) and the NIC table letter

Data can also be provided for the joiners, leavers, directors, student loans, departments. Warning messages are shown in red, you need to remove the cause of the warning otherwise later processing may not work.

You can bring forward an individual employee from the previous year by selecting the Retrieve employee button.

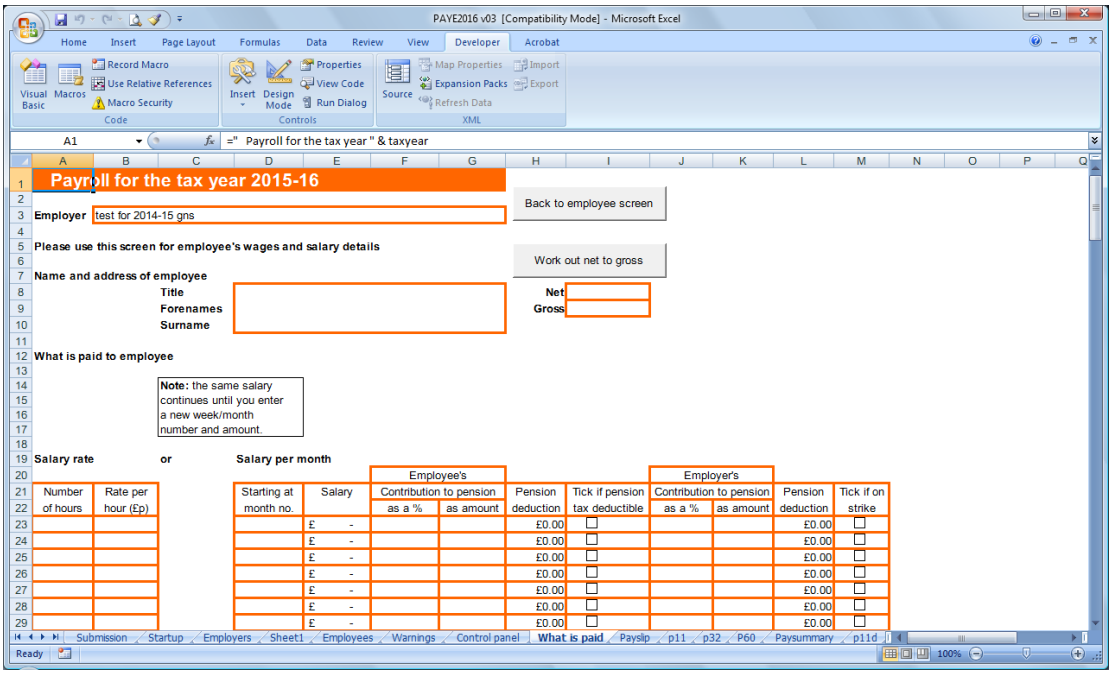
NOTE for RTI users

You will not have to submit a P35 and P14s at the end of the year but you still need to go through the process of preparing a P32. We recommend you prepare an EOY summary because it summarises the tax and NI and can be used to reconcile payments to HMRC. You do not have to complete at least some of the P35 especially page 4 because this information is no longer required in the final RTI submission of the EPS (see the RTI section later).

Day to day payroll

The payroll contains sections for a large number of options which are required for HMRC acceptance tests, many of them are not used in normal day to day processing. The minimum requirements are as follows and can be reached from the employee screen. Please note that references to month also refer to week or any other pay period depending on the pay frequency selected on the employer screen.

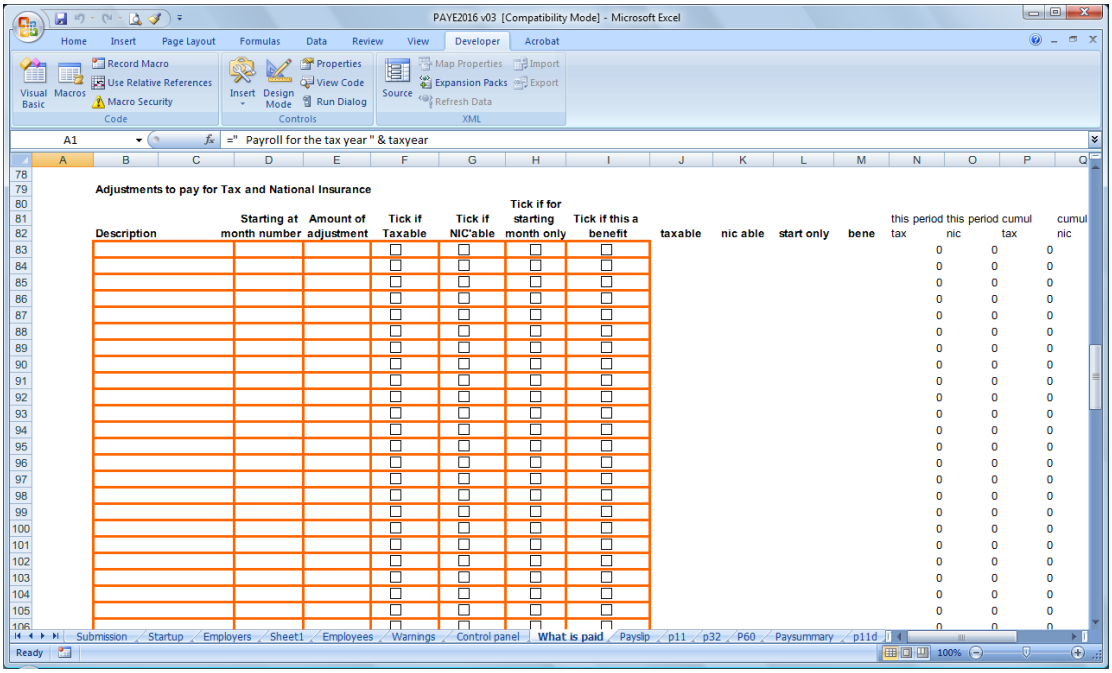
Selecting the "What is paid" button on the employee screen leads to:


PAYE2016 v03 [Compatibility Mode] - Microsoft Excel
Payroll for the tax year 2015-16
Back to employee screen
Work out net to gross
Employer test for 2014-15 gns
Please use this screen for employee's wages and salary details
Name and address of employee
Title
Forenames
Surname
Net
Gross
What is paid to employee
Note: the same salary continues until you enter a new week/month number and amount.
Salary rate or Salary per month
Number of hours
Rate per hour (£p)
Starting at month no.
Salary
Employee's Contribution to pension as a %
Employee's Contribution to pension as a amount
Pension deduction
Tick if pension tax deductible
Employer's Contribution to pension as a %
Employer's Contribution to pension as a amount
Pension deduction
Tick if on strike
Submission Startup Employers Sheet1 Employees Warnings Control panel What is paid Payslip p11 p32 P60 Paysummary p11d
Ready

You must enter the starting month number, usually 1, and the basic salary for each period. Once you have entered the salary you do not have to enter another unless it changes. The month 1 salary is used for each subsequent month. If the salary changes, say in month 6, enter 6 and the new salary underneath the month 1 figures. The extra boxes to the right are for employee and employer pension contributions. The on strike tick box is used to restrict tax refunds while on strike.

Alternatively you can enter the number of hours and a rate per hour, the calculated salary will show in the Salary column. These details will also show on the payslip.

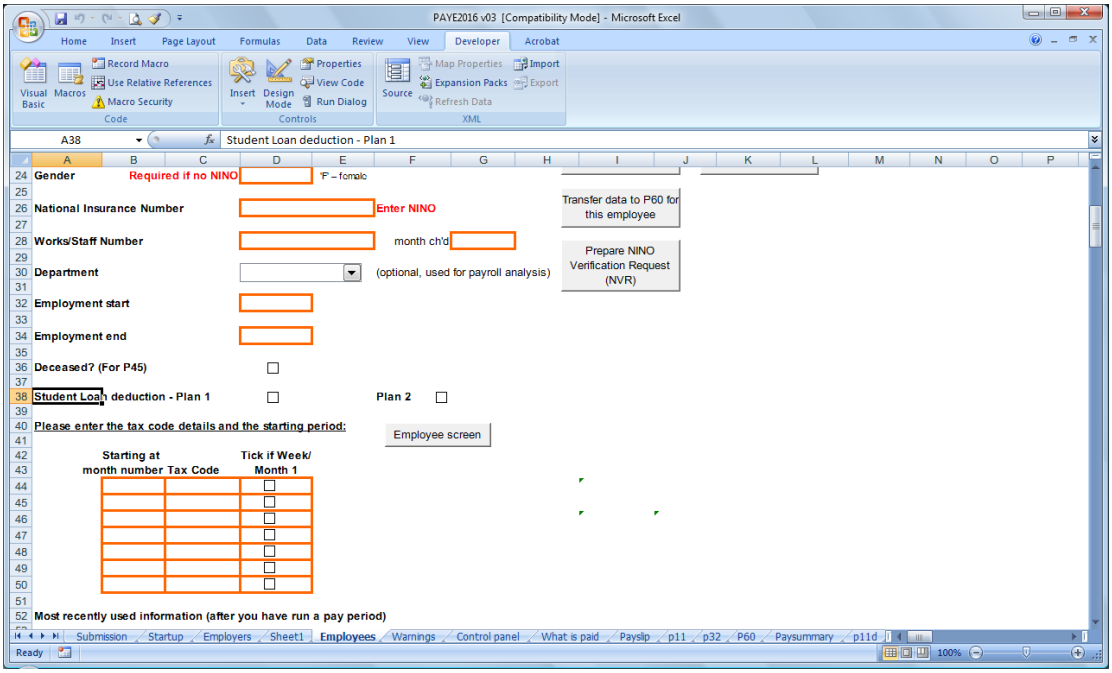
Lower down the screen you find the adjustments screen:



The description will be printed on the pay slip. The adjustment can be positive or negative and can be taxable or not and NICable or not. Each adjustment by default is for the starting month and every subsequent month, if it is only for the starting month then tick the appropriate box. Tick the final box if the adjustment is a benefit, it is reported separately in RTI.

Tax Codes

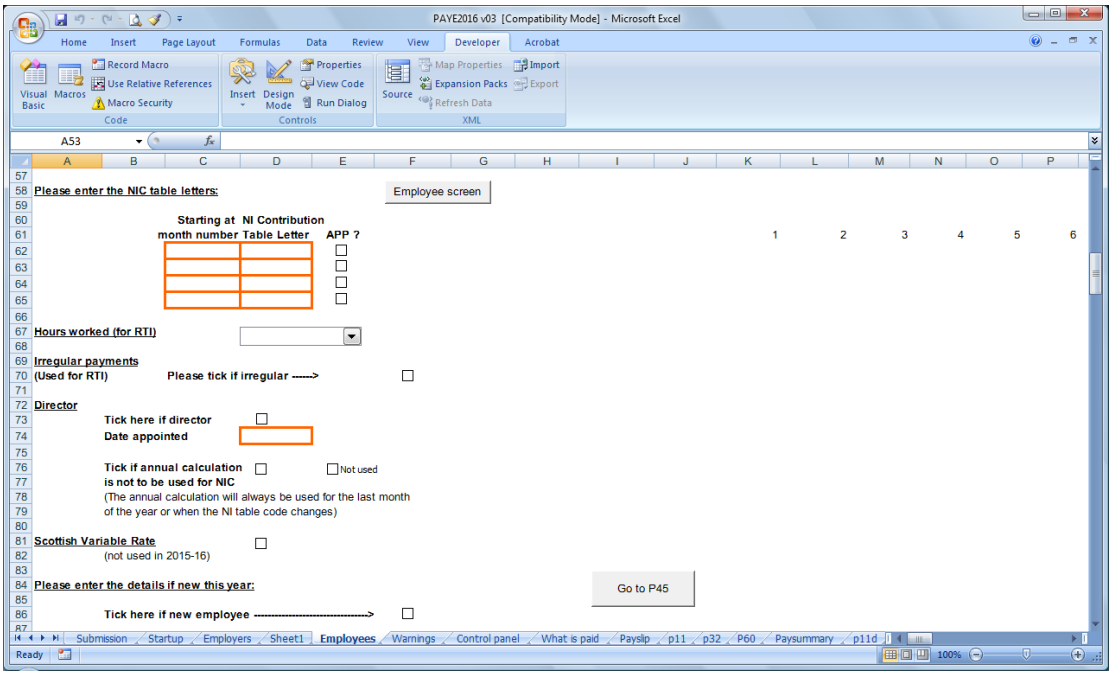
Selecting the tax code button on the employee screen leads to:


PAYE2016 v03 [Compatibility Mode] - Microsoft Excel
Student Loan deduction - Plan 1
Gender
Required if no NINO
'F' – female
National Insurance Number
Enter NINO
Works/Staff Number
month ch'd
Department
(optional, used for payroll analysis)
Employment start
Employment end
Deceased? (For P45)
Student Loan deduction - Plan 1
Plan 2
Please enter the tax code details and the starting period:
Starting at month number
Tax Code
Tick if Week/ Month 1
Most recently used information (after you have run a pay period)
Transfer data to P60 for this employee
Prepare NINO Verification Request (NVR)
Employee screen

Enter the starting month (usually 1) and the tax code and tick if it is a Week1/ Month1 basis. The "What is paid" convention is followed, once you have entered a code it is used for the starting month and all subsequent months unless you enter a new month and code underneath the first month. The separate boxes for Tax code and the tick box are updated after you run the payroll, they represent the most recently used information.

National Insurance codes and Directors and Starters

Selecting the NIC codes button on the employee screen leads to:


PAYE2016 v03 [Compatibility Mode] - Microsoft Excel
Please enter the NIC table letters:
Employee screen
Starting at month number
NI Contribution Table Letter
APP ?
1 2 3 4 5 6
Hours worked (for RTI)
Irregular payments
(Used for RTI)
Please tick if irregular ------>
Director
Tick here if director
Date appointed
Tick if annual calculation is not to be used for NIC
Not used
(The annual calculation will always be used for the last month of the year or when the NI table code changes)
Scottish Variable Rate
(not used in 2015-16)
Please enter the details if new this year:
Go to P45
Tick here if new employee ---------->
Submission Startup Employers Sheet1 Employees Warnings Control panel What is paid Payslip p11 p32 P60 Paysummary p11d
Ready

Enter the starting month (usually 1) and the NIC code. The "What is paid" convention is followed, once you have entered a code it is used for the starting month and all subsequent months unless you enter a new month and code underneath the first month.

Directors

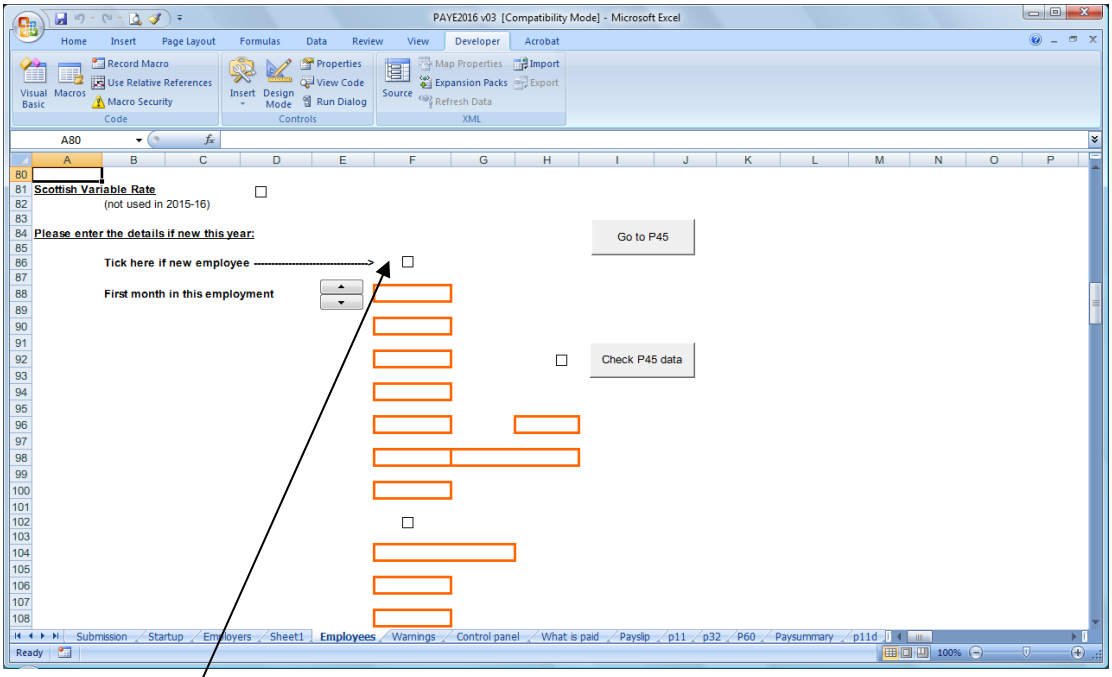
Information about directors is included lower down, this affects the calculation of NIC.

New members of staff.

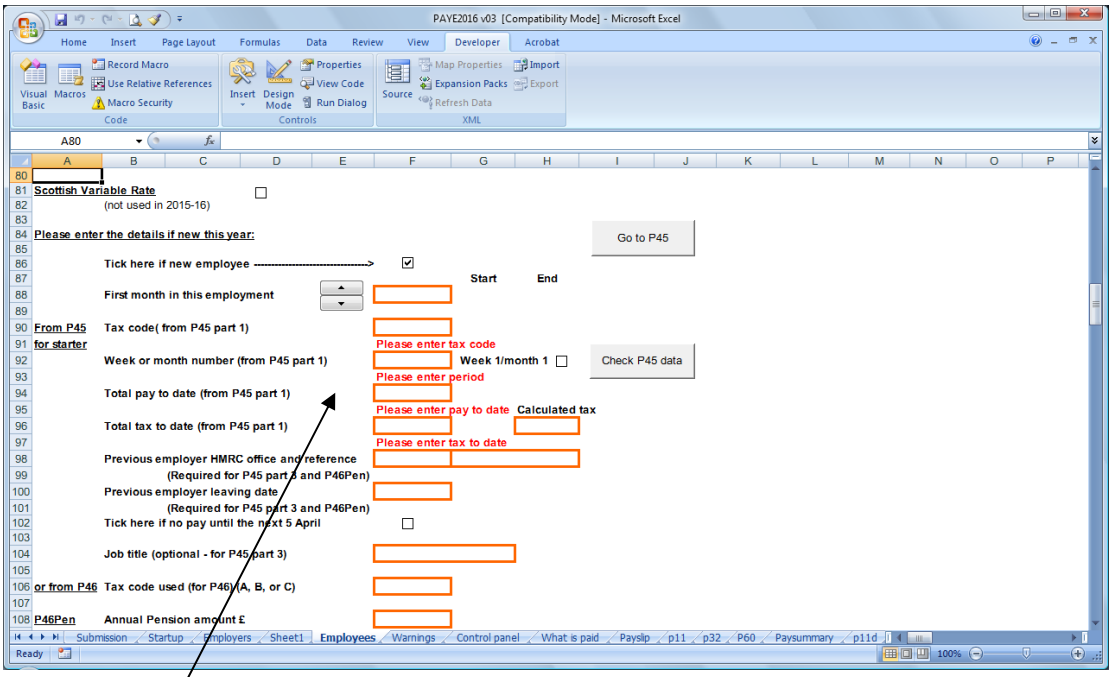
Information about the previous employment of new members of staff is included below, you can check the P45 data (or leaving notice) for tax already deducted in a previous employment.

Joiners

Move down the employee screen to see:


PAYE2016 v03 [Compatibility Mode] - Microsoft Excel
Scottish Variable Rate
(not used in 2015-16)
Please enter the details if new this year:
Go to P45
Tick here if new employee ---------->
First month in this employment
Check P45 data

And tick the box to get the next screen:


PAYE2016 v03 [Compatibility Mode] - Microsoft Excel
Scottish Variable Rate
(not used in 2015-16)
Please enter the details if new this year:
Go to P45
Tick here if new employee ---------->
Start
End
First month in this employment
From P45 for starter
Tax code(from P45 part 1)
Please enter tax code
Week or month number (from P45 part 1)
Week 1/month 1
Check P45 data
Please enter period
Total pay to date (from P45 part 1)
Please enter pay to date
Calculated tax
Total tax to date (from P45 part 1)
Please enter tax to date
Previous employer HMRC office and reference
(Required for P45 part 3 and P46Pen)
Previous employer leaving date
(Required for P45 part 3 and P46Pen)
Tick here if no pay until the next 5 April
Job title (optional - for P45 part 3)
or from P46
Tax code used (for P46) (A, B, or C)
P46Pen
Annual Pension amount £

New employees will either bring a leaving statement with details of earnings or will sign a P46. Enter the appropriate information for the employee or, lower down, the P46 information.

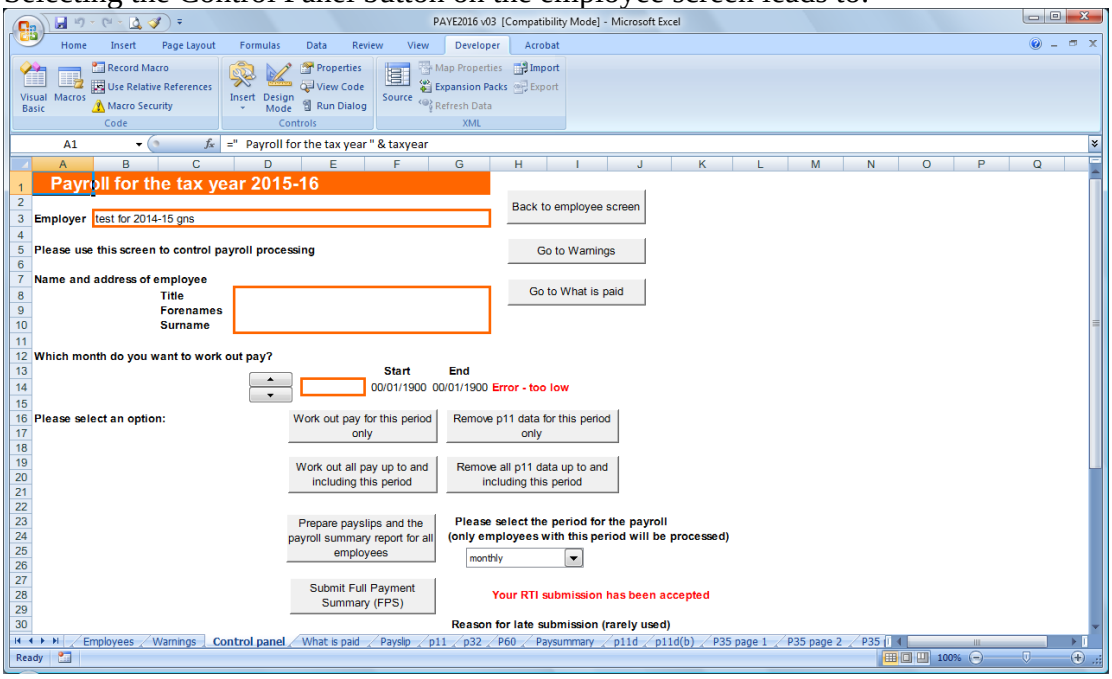
NOTE: The P45s can be printed on plain A4 stationery following HMRC guidelines, the P45 acts as a leaving statement which the employee can show the new employer.

RTI Users

Joining and leaving information is now captured with the start and end dates and included in the first payment details for joiners or the last for leavers. Please remember to add the appropriate joining or leaving dates before you run the payroll. You can't submit a P45 or P46 electronically. However you will need to record a joiner's pay and tax information to date in order to continue calculating tax correctly. You will also need to print a leaving statement for leavers, HMRC has told us the P45 acts as a leaving statement.

The Control Panel

Selecting the Control Panel button on the employee screen leads to:


PAYE2016 v03 [Compatibility Mode] - Microsoft Excel
Payroll for the tax year 2015-16
Employer test for 2014-15 gns
Please use this screen to control payroll processing
Name and address of employee
Title
Forenames
Surname
Which month do you want to work out pay?
Start
End
00/01/1900 00/01/1900 Error - too low
Please select an option:
Work out pay for this period only
Remove p11 data for this period only
Work out all pay up to and including this period
Remove all p11 data up to and including this period
Prepare payslips and the payroll summary report for all employees
Please select the period for the payroll
(only employees with this period will be processed)
monthly
Submit Full Payment Summary (FPS)
Your RTI submission has been accepted
Reason for late submission (rarely used)
Back to employee screen
Go to Warnings
Go to What is paid
Employees
Warnings
Control panel
What is paid
Payslip
p11
p32
P60
Paysummary
p11d
p11d(b)
P35 page 1
P35 page 2
P35
Ready

You must first select a pay period with the up and down arrows and then the button to calculate pay for this period or all periods from the start of the year up to the selected period. The payroll process first removes any pay details previously calculated and recalculates the pay.

The button "Prepare payslips and the payroll summary report for all employees" works out the pay for the selected period, prepares a report and optionally prints the payslips for all employees. Please remember to save the current employee first if you have not already done so. If you have a mixture of weekly and monthly employees you can use the dropdown to select the appropriate category.

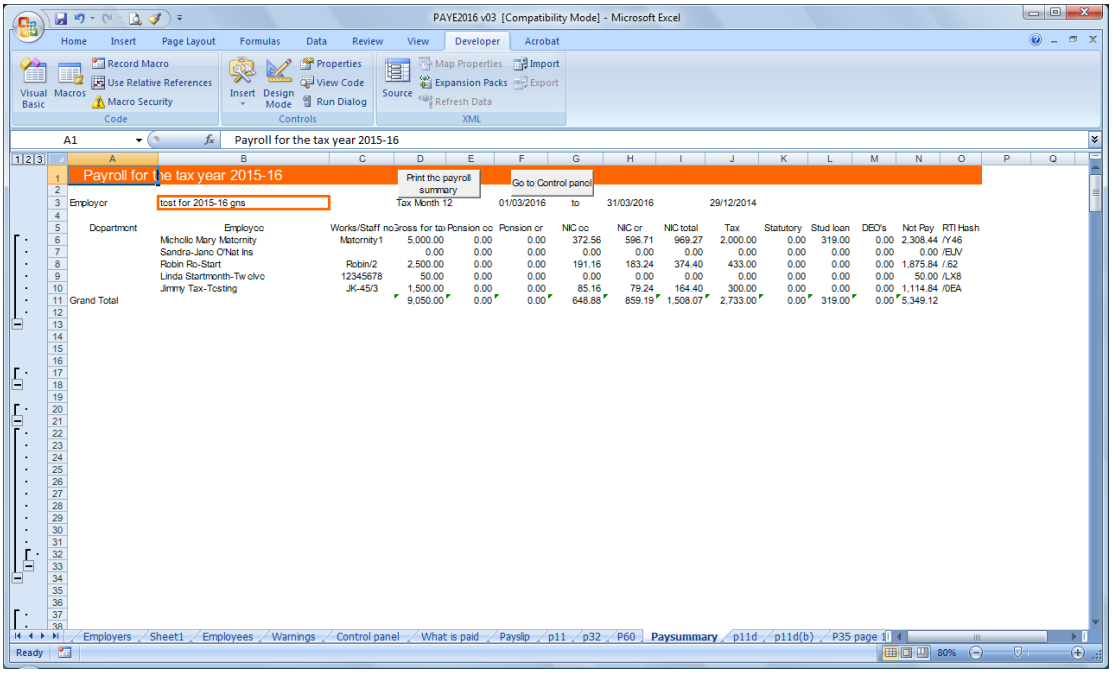
You must use the "Prepare payslips ..." option for RTI FPS submissions. HMRC requires that each regular submission includes all employees in the particular category (weekly or monthly) and must be submitted before the appropriate pay date.

Payslips

The payslips are designed to be printed on special A4 stationery avail window. One payslip is printer per page, the page is folded in two and the employee's address is visible through the window. The stationery is referred to as Mastermailers, reference MAILPAD or MAILPADF. The latter has a postal franking band and could be posted.

QMS Ltd and its directors and staff do not have any financial interest in Econoprint.

A section of the payroll report is as follows:



The report shows department subtotals if appropriate.

Sundry notes and details

You can access other sections of the payroll from the buttons on employee screen. The following describes information on the various screens.

Different pay periods

If different employees have different pay periods e.g. weekly and monthly and work for the same employer you will need to work out pay for each employee in turn, not all together. This will prepare the P11, please remember to save the employee information to the database. Return to the employer screen and choose the "P32" option to prepare the P32 for the employer.

Director (previously employee) appointed during the year

HMRC recommends that a new P11 be started. The old P11 will have a leaving date; the new P11 will have details of earnings in the previous job (i.e. prior to becoming a director). You will need to distinguish the name of the employee (e.g. by adding "(Director)" to the name). You will prepare two P60s at the end of the year. The first will show the tax, earnings and NI prior to becoming a director. The second will show the cumulative tax and earnings and also show the director's NI.

Director ceasing to be a director during the year but continuing as a paid employee

HMRC recommends that a new P11 be started. The situation is the reverse of the above.

Holiday pay

We calculate holiday pay following HMRC's examples for weekly paid employees. In particular we use Method B for calculating NICs, this uses the whole sum based on the number of weeks it represents. We follow the suggested option number 1 (apply the 3-weekly lower and upper earnings limits and earnings threshold to the total payment and round the resulting NICs figures to the nearest penny, rounding down exact amounts of ½p, in the normal way). Note that the revised earnings threshold (for NIC) must be obtained from the annual value and is not just a simple multiple of the weekly value. The lower and upper earnings limits are multiples of the weekly values.

Statutory pay – SMP, SAP, SPP

The amount of statutory pay depends on average earnings prior to the period of statutory payment. The payroll software calculates the average based on the payroll history using the previous 8 weeks employment record. There may be situations where the average cannot be calculated, for example where there is an incomplete history or some of the payments were in an earlier year. Remember that average earnings can affect the amount of SMP in the first 6 and subsequent weeks. You may need to calculate average pay separately and enter the average figure on the appropriate screen (SMP, SAP, SPP).

If you are backdating a pay rise which affects the calculation of average earnings don't forget to re-calculate the average. This does not overwrite SMP which has already been paid. However, SMP still to be paid (and recovered) will be increased to take account of any past underpayment.

Employer's departments

You have the option to specify departments. Please add a department to the list on the employer's screen. When you add an employee you can select a department. The payroll will be summarised by department enabling you to prepare the appropriate account entries for book-keeping purposes. If you don't use departments the payroll report will show an overall total.

Pension contributions

The payroll allows you to make straightforward pension contributions either as a lump sum or on a percentage basis. These can be ticked as tax deductible or not. More complicated scenarios such as when an employee makes standard contributions to a pension scheme and also makes Additional Voluntary Contributions are also possible. In this case you should indicate the standard contribution next tot the salary entry box and lower down the screen include the AVC as a negative adjustment to pay with an appropriate description. Both contributions may or may not be deductible for tax and both will appear on the payslip.

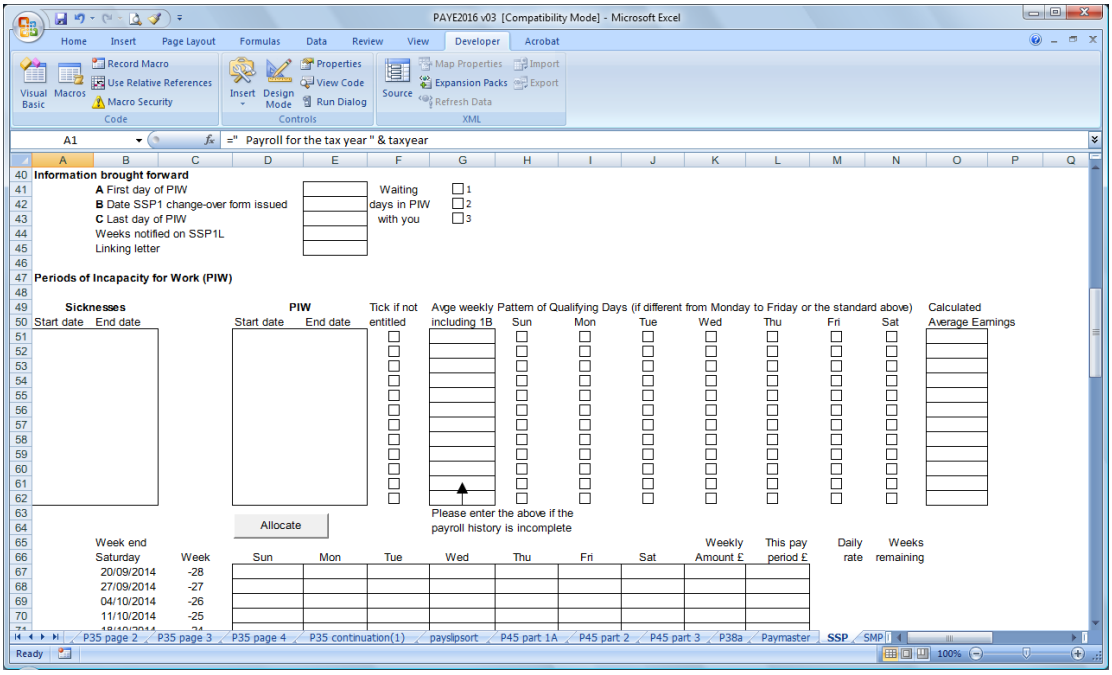
Paying Statutory Sick Pay (SSP) and cut off day for payments

SSP is included in the appropriate weekly payslip for weekly paid employment but only up to a certain day of the week. For example, if someone is paid on Friday then the days of sickness will be notified typically up to and including Thursday immediately before the Friday. You must enter the day of the week, in this example Thursday. The selected day can be the same as the pay day. Any sick days not included in the first week's pay will be included in the following week's pay.

SSP is included in monthly payslips but only up to a certain number of days before the end of the month. This can be zero or you can choose a number such as 5 days, i.e. SSP for sickness in the last 5 days will not be included in the current month but in the next month.

Sickness periods are entered lower down the SSP screen on the left hand side. The payroll program will calculate PIWs, waiting days and entitlement to sickness. You may need to enter the average weekly salary if there is insufficient payroll history to calculate automatically.

You can select a different pattern of Qualifying Days, the default is Monday to Friday.



Earnings orders

You must provide the following information. All orders require:

- Start date
- End date (if appropriate)
- Date of issue (used to prioritise different orders)
- Date of receipt (used to prioritise different orders)

Priority and non priority AEOs and DEOs need:

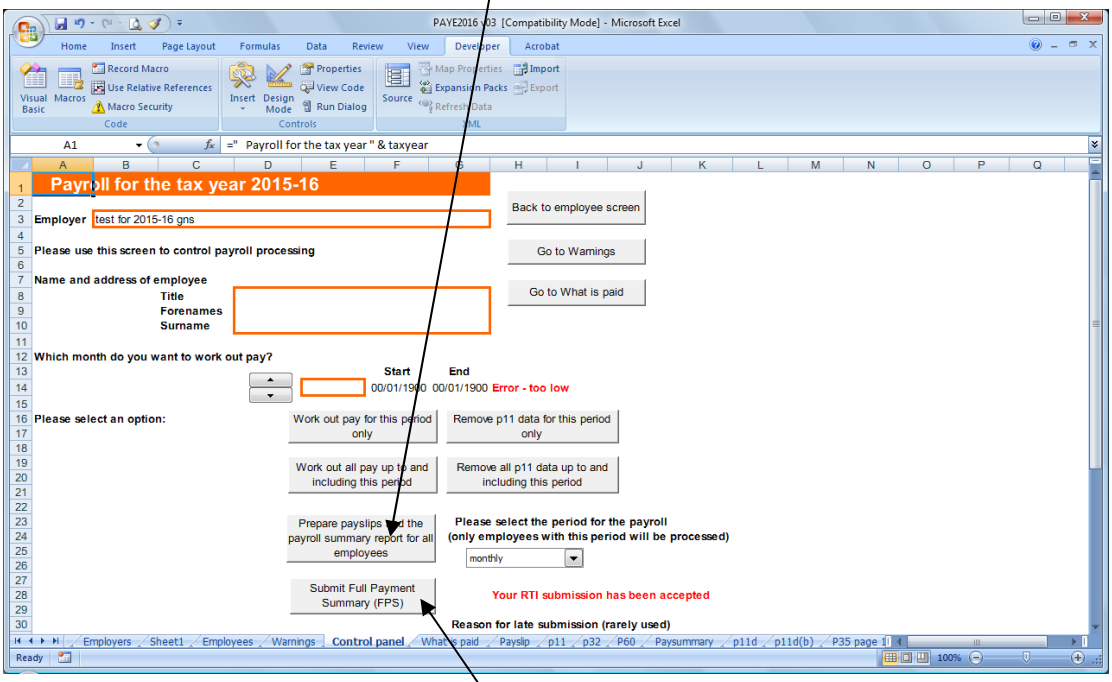
- Initial amount
- Amount in previous year (if appropriate)
- The protected amount (may be 0)
- The normal deduction

Real Time Information (RTI)

There are five items: day to day processing, what you have to do at the end of the tax year, interim Employment Payment Summary, ad hoc requests and Earlier Year Updates. HMRC advises that you make sure employee information is complete, accurate and up to date before RTI starts, especially that you have correct dates of birth and National Insurance Numbers.

Day to day RTI processing

You must use the control panel option to prepare the payroll and the RTI submission.


Payroll for the tax year 2015-16
Employer
test for 2015-16 gns
Please use this screen to control payroll processing
Name and address of employee
Title
Forenames
Surname
Which month do you want to work out pay?
Start
End
00/01/1900
00/01/1900
Error - too low
Please select an option:
Work out pay for this period only
Remove p11 data for this period only
Work out all pay up to and including this period
Remove all p11 data up to and including this period
Prepare payslips and the payroll summary report for all employees
Please select the period for the payroll
(only employees with this period will be processed)
monthly
Submit Full Payment Summary (FPS)
Your RTI submission has been accepted
Reason for late submission (rarely used)
Back to employee screen
Go to Warnings
Go to What is paid
Control panel

This option prepares the RTI submission for the week or month which you have selected as well as the ordinary payslips and the normal summary report for the payroll. The option prompts you for the user id and password and whether you want a test or live submission. If you choose test, you will have to run the option again and choose live.

After the payroll has been prepared you have an option to submit immediately, if you decide not to submit, you can submit later using the submit button.

Notes:

You can't send P45s and P46s to HMRC. You **must** include the starter and leaving dates in the employee screen before you run the payroll, the RTI submission automatically includes the necessary information.

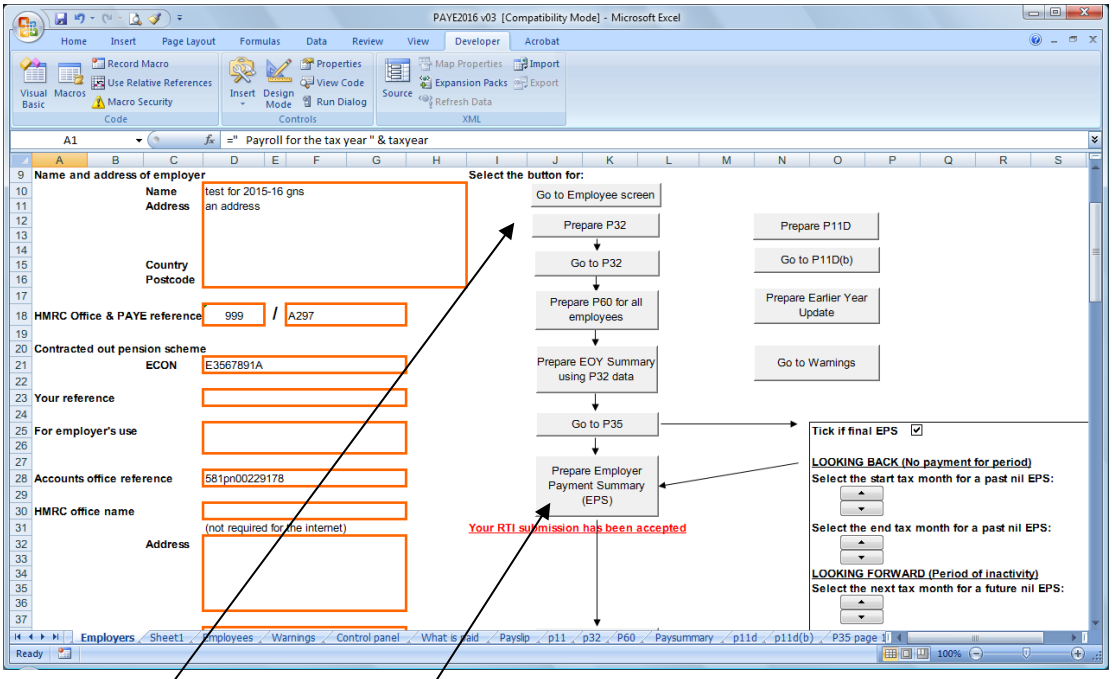
Re-joiners who have left earlier in the tax year (an annoying problem at HMRC): if you have a re-joiner you must provide a new Works/Staff number (even if artificial). HMRC need this to distinguish two separate periods of employment.

Irregular or infrequent payments: please use the tick box on the employee screen, if HMRC does not receive any pay record for 13 weeks they will close their record, without the irregular flag a subsequent submission will create a second pay record for the same person and may cause complications at the year end.

The end of the tax year and RTI

These steps must be repeated for each employer.

After you have run the last payroll and submitted the FPS in the tax year 2015-16 please return to the employer screen. There are a number of straightforward steps to follow for end of year processing:



a) Prepare the P32;
b) Go to the P32 to review;
c) Go back to the employer screen;
d) Prepare P60 for all employees, you get an option to print the P60s;
e) Prepare EOY Summary, this summarises the payroll totals on the P35;
f) Go to the P35 to review, especially page 3 where you can add any extra recoveries;
g) Go back to the employer screen;
h) Tick the box for Final EPS;
i) Prepare the Employer Payment Summary (EPS), you must select No for Live, and you must confirm that you want to submit the EPS after preparation;
j) (lower down) Select the “Press here to record in the database” button.

Interim EPS

You can submit an interim EPS if you wish to set off the recovery of statutory payments against your regular tax and NI liability. You need to prepare a P32 first to summarise any statutory payments and then select the Prepare EPS button without ticking the final EPS button.

If you have no recoveries to make and no employee payments in any month then you should submit a NIL interim EPS return: please choose the appropriate tax month (the looking back option) and select the prepare EPS button. You must do this after the 5th of the month (i.e. after the end of the tax month) – this is an HMRC restriction. So if there no payments in January then after 5th February you can submit a NIL return for January.

You can also "look forward": if you know you have no FPS in the following month(s) you can select the months for a nil interim EPS.

Keeping track of submissions

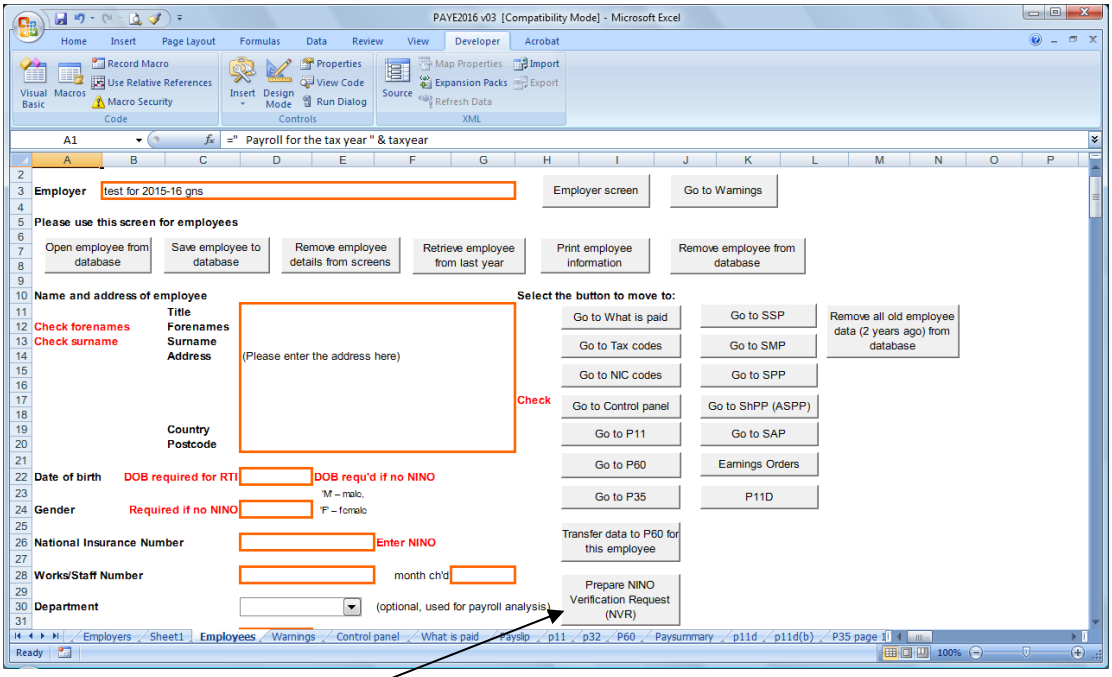
PAYE2016 automatically keeps track of internet submissions and responses (the replies to earlier submissions) in the database. Each time you prepare a return the employer's record in the database is updated. After the end of year return is processed by HMRC please return to the employer screen and select the button to record the success in the database.

You can review submissions and responses by clicking the "Summarise responses" button on the employer screen.

Ad hoc requests

NINO Verification Request (NVR)

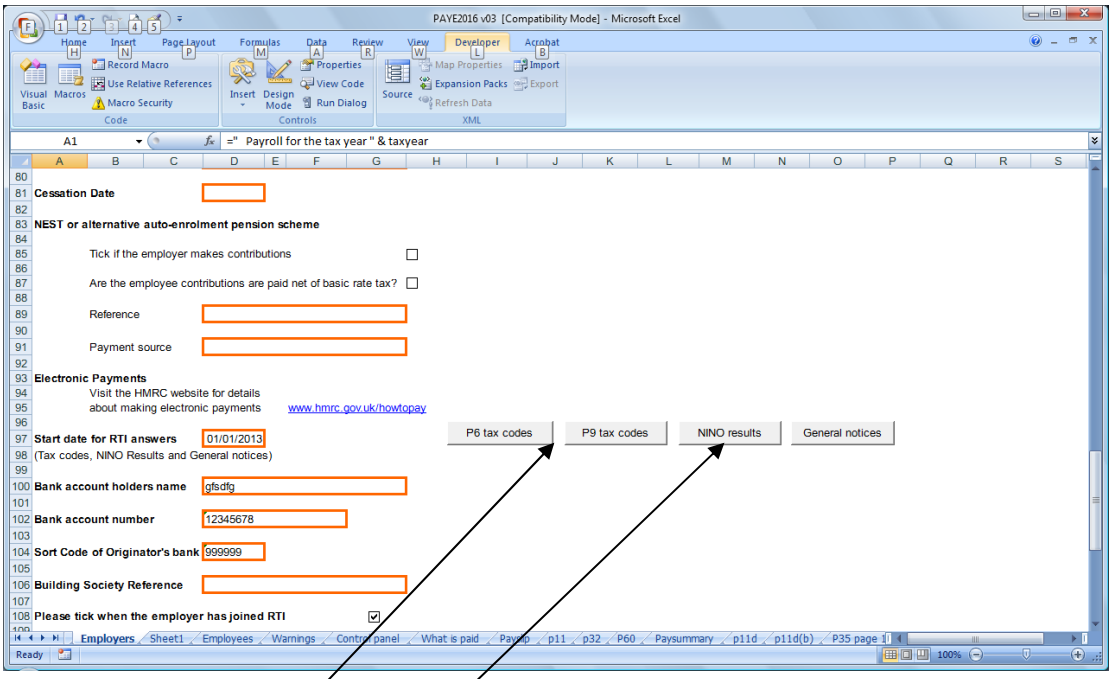
You can request confirmation of an employee NINO or provide details of an employee and obtain the NINO. Go to the employee screen and see the following:



Select this option to submit a request.

Note: you only receive acknowledgment of the submission, you do not receive the actual response. At some later time (still to be confirmed by HMRC) you must run a separate option to obtain the responses, see the next page.

Please move to employer screen and scroll down to see:



<u>You can only use these options if you are the employer or an agent with a 64-8 in place. A filing only agent will not get any results.</u>

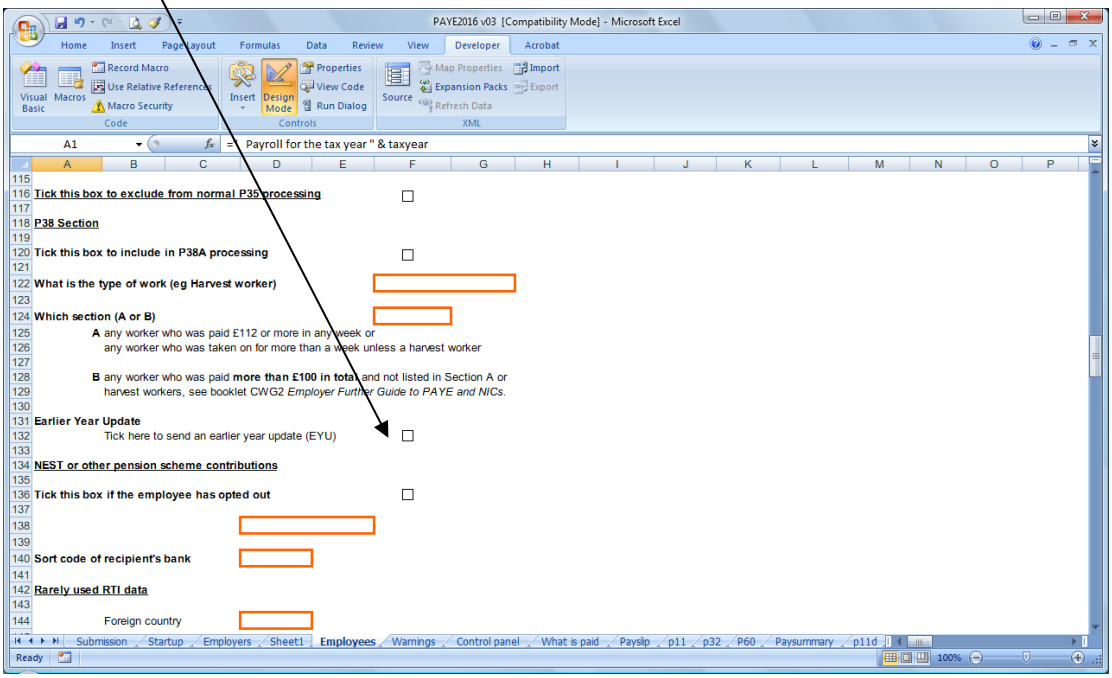
The P6 and P9 options will retrieve tax codes which HMRC has placed in the employer's electronic mailing box.

The NINO option will retrieve NINOs from previously submitted NINO verification requests or from HMRC's own notifications, possibly where you have filed a Full Payment Submission with the wrong employee NINO.

The results are shown on the Submission screen and can be printed out. The changes are not applied automatically, it is up to the user to review and make any changes to employees' records.

Earlier Year Updates

An Earlier year update is a correction to previously submitted FPS in the tax year after the year of the original submission. It is incremental not absolute, in other words it is the change (positive or negative) typically in the pay or tax deducted. You need to enter the incremental change on the appropriate employee's P60 deleting any other information and save the employee to the database. In addition you need to mark the employee record. This should be repeated for all employees who need an update.


PAYE2016 v03 [Compatibility Mode] - Microsoft Excel
Payroll for the tax year " & taxyear
Tick this box to exclude from normal P35 processing
P38 Section
Tick this box to include in P38A processing
What is the type of work (eg Harvest worker)
Which section (A or B)
A any worker who was paid £112 or more in any week or
any worker who was taken on for more than a week unless a harvest worker
B any worker who was paid more than £100 in total and not listed in Section A or
harvest workers, see booklet CWG2 Employer Further Guide to PAYE and NICs.
Earlier Year Update
Tick here to send an earlier year update (EYU)
NEST or other pension scheme contributions
Tick this box if the employee has opted out
Sort code of recipient's bank
Rarely used RTI data
Foreign country
Submission
Startup
Employers
Sheet1
Employees
Warnings
Control panel
What is paid
Payslip
p11
p32
P60
Paysummary
p11d
Ready

Then on the employer screen select the button "Prepare Earlier Year Update" button to send the information to HMRC.

The following link gives more information:

https://www.gov.uk/payroll-errors

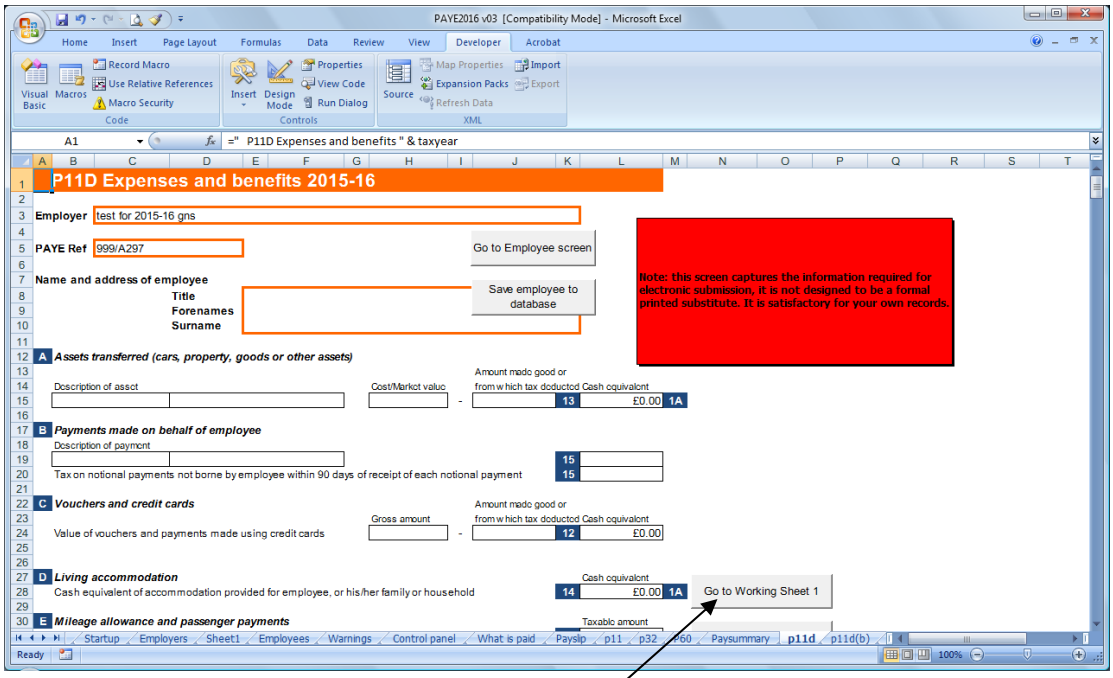
and information about late reporting:

https://www.gov.uk/what-happens-if-you-dont-report-payroll-information-on-time

P11D processing

We include P11D processing. You need to set up employers and employees with a minimum amount of information if you have not used the payroll. The payroll information is not sent to the Revenue as part of the P11D process.

Please choose the P11D button on the employee screen to go to:


PAYE2016 v03 [Compatibility Mode] - Microsoft Excel
P11D Expenses and benefits 2015-16
Employer
test for 2015-16 gns
PAYE Ref
999/A297
Go to Employee screen
Save employee to database
Name and address of employee
Title
Forenames
Surname
Note: this screen captures the information required for electronic submission, it is not designed to be a formal printed substitute. It is satisfactory for your own records.
A Assets transferred (cars, property, goods or other assets)
B Payments made on behalf of employee
C Vouchers and credit cards
Value of vouchers and payments made using credit cards
D Living accommodation
Cash equivalent of accommodation provided for employee, or his/her family or household
Go to Working Sheet 1
E Mileage allowance and passenger payments

You can scroll down the screen to access the various HMRC working sheets. Standard values such as mileage allowances are built in to the P11D. The screen follows the Revenue's numbering and naming conventions and it is designed to capture information which will be submitted electronically. It is not an approved printed substitute.

The buttons marked Working Sheets take you to supporting schedules, the totals of the schedules are copied back to the appropriate boxes on the main P11D schedule.

Please remember to save the employee to the database once you have entered the P11D details. Once you have added the necessary P11D information for each employee please return to the employer screen and select the "Prepare P11D" button to prepare and submit the return to HMRC. You can review the P11D(b) summary and print it for your records.

Automatic enrolment and NEST

The payroll software has details which can be used as part of auto enrolment process for pensions. We store information which allows you to transfer payments to NEST.

Each employer must register with The Pensions Regulator (TPR) and NEST. The registration is outside the control of the payroll software. As part of the registration process you will receive some information which must be added to the employer screen. What you receive is:

a) The NEST reference number, used to identify the employer to NEST;
b) The NEST payment source identifier, this is usually something simple such as "bank", NEST has the option to collect payments from a number of sources, this is unnecessary for small employers;
c) One or more NEST group identifiers, this is used to control groups of payment details, typically as monthly or weekly submissions and the simple approach is to call the groups "monthly" or "weekly" for the appropriate payroll runs;
d) The staging date from TPR;
e) The deferred auto enrolment date from NEST. TPR advise that you should make the best use of the postponement options to allow time to become familiar with auto enrolment and notify all your employees.

Once you have indicated on the employer screen that it is auto-enrolling its employees then all employees will be included in the NEST calculation unless you mark on the employee screen to exclude an employee. The Control panel option "Prepare payslips and payroll summary report" will automatically prepare a file of contributions which you can submit to NEST.

The payroll calculates the NEST contributions using the standard percentages for employer and employee contributions. The employee contributions can be net or gross of the basic rate of tax. We do not apportion contributions in the first pay period, you should choose an enrolment date at the start of a pay period.